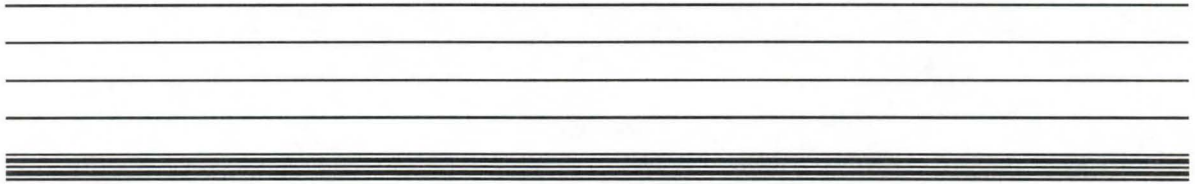


**INTERIM REPORT  
BY  
SUBCOMMITTEE ON  
COMPETITION AND PRIVATIZATION**



Interim Report  
by  
Subcommittee on  
Competition and Privatization

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## Committee on Legislative Research Oversight Subcommittee

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THE COMMITTEE ON LEGISLATIVE RESEARCH, Oversight Division, is an agency of the Missouri General Assembly as established in Chapter 23 of the Revised Statutes of Missouri. The programs and activities of the State of Missouri cost approximately \$19.2 billion annually. Each year the General Assembly enacts laws which add to, delete or change these programs. To meet the demands for more responsive and cost effective state government, legislators need to receive information regarding the status of the programs which they have created and the expenditure of funds which they have authorized. The work of the Oversight Division provides the General Assembly with a means to evaluate state agencies and state programs.

THE COMMITTEE ON LEGISLATIVE RESEARCH is a permanent joint committee of the Missouri General Assembly comprised of the chairman of the Senate Appropriations Committee and nine other members of the Senate and the chairman of the House Budget Committee and nine other members of the House of Representatives. The Senate members are appointed by the President Pro Tem of the Senate and the House members are appointed by the Speaker of the House of Representatives. No more than six members from the House and six members from the Senate may be of the same political party.

PROJECTS ARE ASSIGNED to the Oversight Division pursuant to a duly adopted concurrent resolution of the General Assembly or pursuant to a resolution adopted by the Committee on Legislative Research. Legislators or committees may make their requests for program or management evaluations through the Chairman of the Committee on Legislative Research or any other member of the Committee.

### *COMMITTEE ON LEGISLATIVE RESEARCH*

#### *Representatives:*

*Representative Rod Jetton, Chairman*  
*Representative Mark Abel*  
*Representative Frank Barnitz*  
*Representative Carl Bearden*  
*Representative Jason Crowell*  
*Representative D.J. Davis*  
*Representative Allen Icet*  
*Representative Merrill Townley*  
*Representative Juanita Walton*  
*Representative Brian Yates*

#### *Senators:*

*Senator Gary Nodler, Vice-Chairman*  
*Senator Matt Bartle*  
*Senator Joan Bray*  
*Senator Harold Caskey*  
*Senator Patrick Dougherty*  
*Senator Michael Gibbons*  
*Senator Chuck Gross*  
*Senator Kenneth Jacob*  
*Senator John T. Russell*  
*Senator Charles Shields*

## **Subcommittee on Competition and Privatization**

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### **Charge**

The ninety-second General Assembly, first regular session, adopted Senate Substitute for Senate Committee Substitute for Senate Concurrent Resolution No. 13 that established the Subcommittee on Competition and Privatization within the Joint Committee on Legislative Research. The Subcommittee was charged with identifying ways to reduce costs to state government and increase the quality of state services that are being provided to the citizens of the state of Missouri. The Subcommittee was also charged with performing both a competition review and privatization review and to make recommendations based on its findings from the reviews.

The Subcommittee shall consist of sixteen members of which four shall be members of the Senate appointed by the President Pro Tem of the Senate of which at least two shall be members of the minority party, four shall be members of the House of Representatives of which two shall be appointed by the Speaker of the House of Representatives and two of which shall be members of the minority party appointed by the Minority Floor Leader with approval of the Speaker of the House of Representatives, four shall be representatives of private businesses appointed by the President Pro Tem of the Senate of which at least two shall be members of the minority party, four shall be representatives of private business appointed by the Speaker of the House of Representatives of which at least two shall be members of the minority party, and the President Pro Tem of the Senate and the Speaker of the House of Representatives shall collaborate to ensure that the membership of the Subcommittee reflects adequate minority and gender representation.

The Subcommittee is authorized to call upon any department, office, division, or agency of the state to assist in gathering information pursuant to the charges of the subcommittee.

The Subcommittee will deliver its first report to the Governor, General Assembly, the State Auditor, and the Joint Committee on Legislative Research by January 15, 2004 and a second report to the same by December 31, 2004 with its findings and recommendations.

## **Subcommittee Members**

Senator Gary Nodler (Chairman)  
State Capitol Building Room 433  
Jefferson City, Missouri 65101

Senator Joan Bray  
State Capitol Building Room 329  
Jefferson City, Missouri 65101

Senator Patrick Dougherty  
State Capitol Building Room 330  
Jefferson City, Missouri 65101

Senator Michael Gibbons  
State Capitol Building Rm 221  
Jefferson City, Missouri 65101

Representative Mark Abel  
State Capitol Building Room 201  
Jefferson City, Missouri 65101

Representative Frank A. Barnitz  
State Capitol Building Room 102BB  
Jefferson City, Missouri 65101

Representative Allen Icet  
State Capitol Building Room 207A  
Jefferson City, Missouri 65101

Representative Brian Yates  
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Jefferson City, Missouri 65101

Patty Boyer  
Boycom Cable Vision  
3467 Township Line Road  
Popular Bluff, Missouri 63901



Terry Dunn  
JD Dunn Construction  
929 Holmes  
Kansas City, Missouri 64101

Greg Echele  
Executive Director of Family Resources Center  
3309 South Kingshighway  
St. Louis, Missouri 63139

Mark Levison  
Lathrop and Gage  
Ten South Broadway Suite 1300  
The Equitable Building  
St. Louis, Missouri 63102

Carmen Schulze  
Executive Director Missouri Coalition of Children's Agencies  
213 E Capitol, Suite 101  
Jefferson City, Missouri 65102

Nikki Sells  
Owner- Express Personnel Services  
2045 S Waverly  
Springfield, Missouri 65804

Robert Vitale  
Westgate Equity Partners, L.P.  
1401 S Brentwood Blvd. Suite 650  
St. Louis, Missouri 63144

Andre Williams  
CEO St. Louis Fatburger  
5837 Maffit  
St. Louis, Missouri 63112

## Scope

The first meeting of the Subcommittee on Competition and Privatization was held on October 1, 2003. The Oversight Division presented information on the definitions of competition and privatization. Information was presented about what the federal government and states had done and were doing in introducing competition and privatization of state services.

The Joint Committee on Legislative Research presented information of a review of statutory provisions with the Missouri Revised Statutes.

Objectives of the Subcommittee were considered and included:

- 1) Successfully work in a bipartisan manner in which trust and information is shared by all branches of state government.
- 2) Begin to identify opportunities for privatization statewide.
- 3) Further establish an organizational and analytical structure to implement the privatization effort.
- 4) Identify current and new legislation that could be modified or enacted to best increase efficiencies in state government.
- 5) Evaluate structural and other barriers to change and ways to overcome them.
- 6) Develop a set of processes that agencies could adopt.
- 7) Utilize outside resources by systematically studying options and strategies in the workings of the committee.

Goals for the Subcommittee were discussed and included:

- 1) By October 1, 2003 hold the first meeting of the Subcommittee.
- 2) By January 15, 2004 complete and submit the first report with any findings and recommendations to the Governor, General Assembly, State Auditor, and the Joint Committee on Legislative Research.
- 3) By December 31, 2004 hold three to four hearings around the state.



4) By December 31, 2004 have the Subcommittee identify two to three areas and strategies for introducing some element of privatization or competition.

5) By December 31, 2004 complete and submit a final report with findings and recommendations to the Governor, General Assembly, State Auditor, and the Joint Committee on Legislative Research.

Results from a state agency privatization questionnaire were presented to the Subcommittee. In addition, preliminary results of a state agency information technology survey were presented to the Subcommittee.

Information was presented to the Subcommittee by a representative from the Reason Foundation, a national research and education association.

The second meeting of the Subcommittee was held on Monday, December 15, 2003. The Oversight Division presented updated information of the state agency privatization questionnaire. Information was also presented by the Oversight Division on the State of Virginia's Competition Council.

The Office of Administration presented information on the state's competition and privatization efforts.

Information was presented to the Subcommittee by a representative from the Cornell Group, a public research and education organization.

## **Schedule of Upcoming Events**

Future hearings of the Subcommittee were tentatively established for:

- 1) Early March, 2004 in Jefferson City, Missouri.
- 2) Early June, 2004 in Kansas City, Missouri or St. Louis, Missouri, or Springfield, Missouri.
- 3) Early September, 2004 in Kansas City, Missouri or St. Louis, Missouri, or Springfield, Missouri.
- 4) Early December, 2004 in Kansas City, Missouri or St. Louis, Missouri, or Springfield, Missouri.

## **Appendix**

### Listing of Sources of Information

General Accounting Office

Common Sense Budget Reform for Missouri

State of Texas - Council on Competitive Government

State of Virginia - Commonwealth Competition Council

State of Michigan - Public-Private Partnership Commission

Missouri State Auditor Report - Consulting and Other State Contracts

State Agency Privatization Survey

State Agency Technology Assessment

Reason Foundation - Dr. Adrian Moore

Oversight Division - State Comparison Study

Cornell Company - Tom Jenkins

Senate Research State Employee Comparative Data

(Copies of the above-listed information is available upon request. Please call (573) 751-2306.)